

Program B: Support Services

Program Authorization: R.S. 45:1161; R.S. 45:1177(A, B, & D); R.S. 45:1177.1; R.S. 45:1180 and 45:1181

PROGRAM DESCRIPTION

The mission of the Support Services Program is:

- to manage the progress of adjudicatory proceedings, conduct evidentiary hearings, and make rulings and recommendations to the public service commissioners that are impartial, professional, orderly, efficient, and generate the highest degree of public confidence in the commission's integrity and fairness;
- to ensure that rates for services passed on to Louisiana citizens by regulated carriers are based on reasonable, allowable, recoverable operating costs and prudent investments incurred by jurisdictional companies in providing the services;
- to provide unbiased recommendations, economic and statistical analysis of the activities pertaining to the performance, conduct, and the business of the utilities in accordance with the goals, objectives, and responsibilities of the commission;
- to provide technical support and assistance to citizens regarding regulation of utility and common carrier companies; and
- to review, analyze, and investigate rates and charges filed before the commission with respect to prudence and adequacy to those rates in order to provide reliable and affordable service to customers while allowing the regulated utility to maintain a reasonable and fair rate of return.

The goals of the Support Services Program are:

1. Provide all parties to adjudicatory hearing a fair and impartial hearing.
2. Ensure that jurisdictional company rates are fair and reasonable to the consumer and at the same time provide a fair rate of return to the company.
3. Provide the Public Service Commission (PSC) with accurate reporting of regulated utility and common carrier companies' financial condition; level of earnings; rate of return; adherence to federal, state, local, and PSC laws; regulations and guidelines to assist in decision-making responsibilities.

The Support Services Program includes the following activities (organizational divisions): Administrative Hearings; Audit, Economics and Rate Analysis; and Utilities.

The Administrative Hearings Division was created to assist the PSC in making an examination of the rates charged and services charged by public utilities and common carriers to Louisiana consumers. Administrative law judges manage the progress of and conduct hearing in all matters within the jurisdiction of the commission for which an adjudicatory or evidentiary hearing is requested. These judges have been delegated authority to administer oaths, issue and enforce subpoenas, schedule status conferences and hearings, establish procedural schedules, compel discovery, examine witnesses, make evidentiary rulings, and render rulings on motions, exceptions, and other preliminary matters. They prepare recommendations to the commissioners concerning all final determination and prepare orders.

The Audit Division has a primary responsibility to provide the commission with accurate and current information with respect to the financial condition and the results of operations of regulated utilities.

The Economics and Rate Analysis reviews and analyzes rates of return and rate increase proposals by regulated utilities and makes recommendations to the commission. This division provides analytic capabilities to aid the commission in actively planning and developing policies regarding the regulation/oversight of regulated utilities.

The Utilities Division has responsibility for the maintenance of all rates and conditions of service records filed by regulated utilities. This staff works closely with the Audit Division to examine and audit cost of electric fuel adjustments and natural gas purchases by natural gas companies. It investigates complaints that cannot be resolved at the district level.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To generate \$501 million in direct and indirect savings to utilities rate payers through prudent review of existing and proposed rate schedules.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Direct savings to rate payers (Millions) ¹	\$179.34	\$364.84	\$179.34	\$179.34 ³	\$493.00	\$493.00
K	Indirect savings to rate payers (Millions) ²	\$7.00	\$2.20	\$7.00	\$7.00	\$8.00	\$8.00
S	Number of utility filings for rate increases	Not applicable ⁴	11	Not applicable ⁴	Not applicable ⁴	15	15

¹ Direct savings result from reduction orders for existing rates recommended by the program and ordered by the Public Service Commission.

² Indirect savings result from requested rate increases denied by the Public Service Commission based upon recommendations by the program.

³ The program now estimates this figure to be \$493.00.

⁴ This indicator was not adopted as a standard in the year indicated.

GENERAL PERFORMANCE INFORMATION:

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Total number of regulated utilities ¹	1,095	1,337
Number of Certificates of Authority issued ²	170	92
Number of docketed cases (utilities only)	159	435
Number of dockets dealing with citations/violations	10	25
Number of utility filings received	1,173	3,006
Number of reviews completed ³	36	33
Number of annual reports processed	228	708
Amount of rate increases requested (Millions)	15	61
Indirect savings to rate payers (Millions) ⁴	\$7.0	\$2.2
Direct savings to rate payers (Millions) ⁵	\$104.8	\$346.8

¹ Regulated utilities include electric, gas, water, sewer and telecommunication companies. This figure is measured at the end of the fiscal year.

² A Certificate of Authority certifies that a utility or carrier has met the requirements of the laws and regulations necessary to operate in the state.

³ Reviews of financial records and transactions of regulated companies in relation to rate investigation, surveillance reports and rate case audits.

⁴ Direct savings result from reduction orders for existing rates recommended by the program and ordered by the Public Service Commission.

⁵ Indirect savings result from requested rate increases denied by the Public Service Commission based upon recommendations by the program.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	1,117,507	1,430,448	1,430,448	1,503,636	1,653,716	223,268
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$1,117,507	\$1,430,448	\$1,430,448	\$1,503,636	\$1,653,716	\$223,268
EXPENDITURES & REQUEST:						
Salaries	\$817,189	\$966,871	\$966,871	\$1,013,842	\$1,087,882	\$121,011
Other Compensation	8,318	0	12,617	12,617	12,617	0
Related Benefits	147,261	196,935	184,318	190,850	276,018	91,700
Total Operating Expenses	130,465	222,282	222,282	239,222	134,801	(87,481)
Professional Services	0	0	0	0	0	0
Total Other Charges	0	5,500	5,500	0	95,293	89,793
Total Acq. & Major Repairs	14,274	38,860	38,860	47,105	47,105	8,245
TOTAL EXPENDITURES AND REQUEST	\$1,117,507	\$1,430,448	\$1,430,448	\$1,503,636	\$1,653,716	\$223,268
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	26	26	26	26	27	1
Unclassified	0	0	0	0	0	0
TOTAL	26	26	26	26	27	1

SOURCE OF FUNDING

This program is funded from Statutory Dedications generated from inspection and supervision fees paid by public utilities. “Funds received in the form of supplemental fees are provided in R.S. 45:1177(D) for the Public Service Commission shall be deposited into the state treasury and shall be used solely to fund the activities of the Economics and Rate Analysis Division and the Hearings Examiners Division.” (Per R.S. 39.32 B.(8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.)

	ACTUAL	ACT 10	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	1998-1999	1999- 2000	1999- 2000	2000 - 2001	2000 - 2001	OVER/(UNDER) EXISTING
Supplemental Fee Fund	\$514,415	\$709,906	\$709,906	\$746,356	\$821,539	\$111,633
Utility and Carrier Inspection and Supervision Fund	\$603,092	\$720,542	\$720,542	\$757,280	\$832,177	\$111,635

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$1,430,448	26	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$1,430,448	26	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$29,516	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$23,914	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	\$47,105	0	Acquisitions & Major Repairs
\$0	(\$38,860)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$88,217	0	Salary Base Adjustment
\$0	(\$55,866)	0	Attrition Adjustment
\$0	(\$75,411)	0	Salary Funding from Other Line Items
\$0	(\$5,500)	0	Other Adjustments - Elimination of funding not required for Y2K reviews
\$0	\$156,183	0	Other Adjustments - Additional Operational expenses for the Imaging System
\$0	\$53,970	1	New And Expanded Adjustments - Funding provided for an Information System Supervisor/Manager
\$0	\$1,653,716	27	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$1,653,716	27	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$1,653,716	27	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 115.6% of the existing operating budget. It represents 98.2% of the total request (\$1,683,431) for this program. Recommended increases in funding for this Program are attributable to a new Document Imaging System, and for one additional position to supervise and manage the Information Systems (Data Processing) Section.

PROFESSIONAL SERVICES

This Program does not have funding for Professional Services for Fiscal Year 2000-2001.

OTHER CHARGES

\$95,293 Miscellaneous charges related to the document imaging system, etc.

\$95,293 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$47,105 Replacement Data Processing and Office furniture

\$47,105 TOTAL ACQUISITIONS AND MAJOR REPAIRS